

Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15 STR-04
ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 FEA-01
AF-10 EA-09 EUR-12 NEA-10 IO-13 /148 W
-----282223Z 036435 /70

P 282010Z APR 77

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC PRIORITY 1251

UNCLAS BOGOTA 3899

E.O. 11652: N/A

TAGS: ETRD, CO

SUBJECT: NON-RUBBER FOOTWEAR STATISTICAL INFORMATION

REF: STATE 085744

1. NO RECENT STATISTICAL INFORMATION IS AVAILABLE ON COLOMBIAN NON-RUBBER FOOTWEAR INDUSTRY. HOWEVER, THE NATIONAL PLANNING DEPARTMENT PREPARED A STUDY ON THIS SECTOR WHICH COVERED THE 1963-1968 PERIOD. ON THE BASIS OF THAT INFORMATION PLUS ADDITIONAL DATA OBTAINED FROM THE EXPORT PROMOTION FUND, PROEXPO, AND THE ASSOCIATION OF LEATHER SHOE INDUSTRIES, CORNICAL, POST HAS DEVELOPED THE FOLLOWING ESTIMATES FOR THIS INDUSTRY:

A) PRODUCTION:

1976	21,431,143	PAIRS
1977	22,573,414	"
1978	23,776,576	"
1979	25,043,868	"
1980	26,378,706	"
1981	27,784,692	"

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COMMENT: FOR THE PERIOD 1963-1968 COLOMBIAN PRODUCTION OF LEATHER FOOTWEAR GREW AT AN ANNUAL RATE OF 5.33 PERCENT. PRODUCTION FIGURES USED TO DETERMINE THIS RATE DID NOT INCLUDE PRODUCTION BY A LARGE NUMBER OF SMALL MANUFACTURERS OF THIS TYPE OF FOOTWEAR WHICH MIGHT HAVE INCREASED THE ANNUAL GROWTH RATE. THIS SAME GROWTH RATE HAS BEEN USED TO ESTIMATE FUTURE PRODUCTION.

RUBBER AND PLASTIC FOOTWEAR IS COMPETING STRONGLY WITH LEATHER FOOTWEAR AND ITS PRODUCTION HAS SUBSTANTIALLY INCREASED DURING THE LAST FIVE YEARS MOSTLY DUE TO LOWER INTERNAL PRICES. ANNUAL PRODUCTION OF CRUDE LEATHER IS NOT SUFFICIENT TO COVER LOCAL DEMAND FROM THE SHOE INDUSTRY AND OTHER INDUSTRIES SUCH AS LUGGAGE, HANDBAGS, LEATHER APPAREL, ETC., WHICH HAVE SHOWN MORE DYNAMIC GROWTH. THE LEATHER SHOE INDUSTRY'S INSTALLED CAPACITY WORKS AT APPROXIMATELY 70 PERCENT, THUS INCREASING FIXED COSTS WHICH ARE TRANSFERRED TO CONSUMERS IN THE FORM OF HIGHER INTERNAL PRICES CAUSING INVENTORY ACCUMULATION AND SUBSEQUENT DECREASES IN PRODUCTION. THE GOVERNMENT AUTHORIZED THE EXPORTATION OF 250,000 PIECES OF LEATHER DURING 1976, A MEASURE WHICH, ACCORDING TO CORNICAL, WILL SERIOUSLY AFFECT PRODUCTION IN THE WHOLE LEATHER INDUSTRY. THE ABOVE CONSIDERATIONS ADDED TO THE INCREASED SMUGGLING OF CATTLE (ESTIMATED AT ABOUT 250,000-300,000 HEAD PER YEAR) REDUCES THE SUPPLY OF LEATHER TO THE LOCAL INDUSTRY AND INDICATES THAT PRODUCTION OF LEATHER FOOTWEAR SHOULD NOT SURPASS ABOVE ESTIMATES UNLESS THE GOVERNMENT ESTABLISHES AND DEVELOPS NEW CATTLE PRODUCTION AND EXPORT STRATEGIES.

B) INVESTMENTS. ACCORDING TO PROEXPO, THERE ARE NO SPECIFIC FINANCIAL PLANS FOR THIS SECTOR IN THE NEAR FUTURE. NO SIGNIFICANT ENLARGEMENT PROJECTS ARE BEING DEVELOPED BY FIRMS WORKING WITHIN THIS SECTOR. PROEXPO, HOWEVER, PLANS TO INITIATE A PROGRAM TO ENCOURAGE UNCLASSIFIED

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MANUFACTURERS TO USE THEIR PRESENT FACILITIES MORE EFFICIENTLY AND TO PRODUCE FOR EXPORTATION. PROEXPO WILL START THIS PROGRAM WITH FIVE SELECTED FIRMS REPRESENTING THE LARGEST MANUFACTURERS OF LEATHER FOOTWEAR. THESE FIRMS ARE: CORONA AND MAHATTAN OF BOGOTA, CICODEC OF MEDELLIN, FAITALA OF BARRANQUILLA, AND BETAR OF CARTAGENA. PROEXPO INTENDS TO APPLY EXPORT PREFINANCING RESOLUTIONS 59 TO 42 OF THE MONETARY BOARD TO THIS PROJECT ALTHOUGH THEY DO NOT HAVE ANY SPECIFIC BUDGET FOR SAME.

C) EXPORTS. AVAILABLE STATISTICS FROM COLOMBIA ARE NOT BROKEN-DOWN AS REQUESTED IN REFTEL. FOLLOWING IS A DESCRIPTION OF COLOMBIAN FOOTWEAR EXPORT STATISTICS AS THEY ARE PRESENTED, BASED ON EXPORT REGISTRATIONS: (IN THOUSANDS OF US DOLLARS)

1972	1973	1974	1975	1976
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?5, 64.2 - FOOTWEAR WITH OUTER SOMES OF LEATHER OR RUBBER/PLASTIC.

3,137.4	3,967.8	9,630.4	5,344.2	5,564.9
BTN 64.3 -FOOTWEAR WITH OUTER SOLES OF WOOD OR CORK				
-0-	1.1	1.6	8.5	2.6
BTN 64.4 - FOOTWEAR WITH OUTER SOLES OF OTHER MATERIALS (CARDBOARD, TEXTILES, ETC).				
2.9	11.8	23.4	112.0	34.3
BTN 64.05 - VAMPS, LEGS, AND OTHER PARTS OF OTHER MATERIALS, EXCEPT OF METAL				
56.7	526.5	2,222.1	1,255.1	2,791.3
BTN 64.6 - GAITERS, SPATS, LEGGINGS, PUTEES, SIMILAR ARTICLES AND PARTS THEREOF				
-0-	0.6	101	-0-	30.0
TOTAL:				
3,197.0	4,507.8	11,877.5	6,719.8	8,423.3
EXPORTS TO THE US MAY BE ESTIMATED AS 50 PERCENT OF ABOVE FIGURES. FIVE YEAR PROJECTIONS CANNOT BE VALIDLY ESTIMATED.				
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2. THE NATIONAL PLANNING DEPARTMENT AND PROEXPO INFORMED
THE EMBASSY THAT THEY INTEND TO CONDUCT A STUDY WHICH
WILL PROVIDE SPECIFIC DATA ON THE WHOLE FOOTWEAR
MANUFACTURING SECTOR. THEY STATED HOWEVER, THAT THIS
STUDY WOULD NOT BE READY BEFORE AUGUST.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOOTWEAR, EXPORTS, PRODUCTION DATA
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BOGOTA03899
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770149-0228
Format: TEL
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770411/aaaaaiwr.tel
Line Count: 146
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Litigation Codes:
Litigation History:
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Review Event:
Review Exemptions: n/a
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2671625
Secure: OPEN
Status: NATIVE
Subject: NON-RUBBER FOOTWEAR STATISTICAL INFORMATION
TAGS: ETRD, CO
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/41313e9c-c288-dd11-92da-001cc4696bcc
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